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SUB-SAHARAN AFRICA REPORT

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INTER-AFRICAN AFFAIRS

EEC COMMITTEE ANALYZES IMPLEMENTATION OF LOME II CONVENTION

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 12 Jun 81 p 1582

[Text] The foreign relations section of the Economic and Social Committee (representative organ of the EEC economic and social circles) examined, on 12 May, a lengthy draft report prepared by Mr Clavel and dealing with the implementation of the Lome II Convention.

In general terms, it can be pointed out that the draft report sets more far-reaching objectives for Lome II than the convention itself since it notes that "while being an improvement on the first one, this new convention cannot solve all the problems facing the ACP [African, Caribbean and Pacific] states, particularly the problems of countries where there is an increasing deterioration in the economic and social situation." Are we not forgetting that the Lome II Convention is only a contribution to a development effort which, in fact, involves the country's own participation as well as the participation of other financial backers?

Conversely, the draft report is right when it mentions that the spirit of the convention is more important than the letter: "The terms of the convention, however specific they might be, can only lead to concrete results if the EEC and the ACP countries combine their efforts to apply it in a sincere spirit of dialogue and cooperation in the interest of development.... Therefore, there must be a serious effort to ensure that people are informed in the EEC and in the ACP countries if the Lome Convention is not to become a mere instrument of financial assistance but it to acquire its true dimension."

The draft report goes on to analyze the various aspects of the convention. On the subject of commercial cooperation, it notes that "access to the markets (EEC) remains below what the partners had reason to expect," so much so that the community must make additional efforts to reduce "the non-tariff obstacles to exports from the ACP countries" and the latter must "do everything possible" to increase "their trade with other ACP states and third countries." The stance suggested is clear: even in the case of sensitive commodities, the EEC must be more receptive to exports from the ACP countries and "must curtail its use of safeguard clauses and protectionist practices" because "in the few instances where free access granted to goods from the ACP countries could create problems for some of the EEC activities, the [foreign relations] section holds the view that all the available community instruments must be brought into play to facilitate the required adjustments within the community."

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On the subject of the STABEX [expansion unknown] the attitude of the draft report is favorable but it fears that the provisions allocated to the STABEX are insufficient;" it even hopes that "the community will persevere in its efforts to convince the leading developed countries to combine their efforts" in order to "consider generalizing the system all over the world for all the developing countries."

As for the investments, the draft report considers "that a good balance must be maintained between heavy and concentrated investments (such as in the mining industry) and more modest investments which are accompanied by fast results.... Whenever necessary, the financing plan for a proposed activity must include not only the initial basic investment but also expenses to get the project going, operating and maintenance expenses until the investment becomes productive." The report regrets "the lack of a legal framework for the protection of investments" and thinks that it would be expedient "for the EEC to agree with the ACP states on codes of conduct with clauses dealing with the promotion and mutual protection of investments, the observance of certain rules in the social sphere, the conditions for the settlement of disputes and the compensation to be paid in the event of expropriation."

In the industrial sphere, "the creation of joint ACP-EEC enterprises in the ACP countries can be a positive contribution to the industrial development of those countries," but from the viewpoint of industrial development, the budget allocated to the CDI (Industrial Development Center), 25 million ecus at the most, falls short and representatives of the labor unions and employers organizations from the ACP countries and from the EEC should participate in the work of the CDI Consultative Council. The economic and social circles of the EEC should also cooperate in providing industrial training for citizens of the ACP countries, particularly regarding the operation of facilities and equipment, maintenance and repairs.

In the sphere of energy, "priority must be given to medium-size and small-size projects connected with economic and social plans in rural areas."

On the subject of agricultural cooperation, the draft report considers that "it is necessary to give priority to the following objectives: diversification of agricultural production in an effort to seek self-sufficiency in food supplies; local processing of agricultural products; rational exploitation of forests; modernization of fishing activities and supply of equipment; water management; building of the infrastructures and of the technical and social facilities which are absolutely necessary for rural development."

These objectives should be primarily achieved by "encouraging the farmers to participate in them".

The funds allocated to financial and technical cooperation are considered to be insufficient and the methods used should be improved. The projects should be selected in such a way as to "give priority to the funding of income-producing projects and of the economic and social infrastructures which must accompany them."

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The draft report notes that there are social aspects in the convention and that, particularly, regarding the regulations affecting migrant workers, further talks must be conducted to complete the existing documents along the lines of the proposals adopted by the Economic and Social Committee. Thus, "the EEC and the ACP countries in particular could start negotiations leading to the conclusion of a 'social agreement' which will give the finishing touch to the convention." That agreement should include a "mutual commitment to ratify and implement various ILO conventions containing principles likely to influence, in particular, the social protection in the countries, the obligation for EEC enterprises who invest in the ACP countries to abide by a number of regulations dealing with employment, vocational training, health and safety conditions and with the prevention of causes of pollution and of deterioration of the environment."

Finally the draft report regrets that the organizations of workers and employers in the ACP and EEC countries were not consulted when the Lome II Convention was drafted and hopes that the meetings scheduled to take place while that convention is implemented will be held at regular intervals to "jointly study...the social impact of the convention."

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INTER-AFRICAN AFFAIRS

ECOWAS SUMMIT CONFERENCE REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 12 Jun 81 p 1589

[Text] The conference of heads of state and government from the Economic Community of West African States (ECOWAS, composed of 16 countries: Benin, Ghana, Guinea, Guinea-Bissau, Liberia, Mauritania, Nigeria, Senegal, Sierra Leone, Togo, Cape Verde, Ivory Coast, Gambia, Upper Volta, Mali and Niger) held its fourth annual meeting in Freetown, Sierra Leone, from 28 to 29 May 1981.

The conference of heads of state and government took note of several decisions adopted by the council of ministers which met from 24 to 27 May 1981 and dealt with: the ECOWAS monetary cooperation program; the common farming policy; the articles of association of the Fund for the Development of Telecommunications in the ECOWAS member states; the liberalization of trade dealing with traditional handicraft goods and the reappointment of ECOWAS statutory officials.

The conference of heads of state and government studied the recommendations presented by the ECOWAS Council of Ministers and adopted, as indicated in the final communique, the following decisions:

The conference adopted a list of traditional handicraft goods which will be given preferential treatment in the framework of the program to liberalize trade exchanges. By that decision, the conference declared that the program for the liberalization of trade involving traditional handicraft goods and local products will be effective as of 28 May 1981 according to the agreed timetable.

The conference adopted recommendations to give uniformity to the legislation applicable to road traffic inside the community regulating interstate road transport in the subregion.

The conference adopted an energy program for the community. This program deals with short-term emergency measures and with a long-term development program for the community. The executive secretary is authorized to adopt whatever measures are needed to implement the energy program.

The conference adopted a medium-term postal program for the ECOWAS. The purpose of that program is to assess the regular flow of mail within the community.

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The conference adopted and signed a protocol dealing with mutual assistance in matters of the community's defense. That protocol defines the scope and methods of subregional cooperation on questions of defense and reinforces the first protocol of non-aggression.

On administrative matters, the conference decided to create an ECOWAS commission for requests of bids to assign contracts for community projects. The conference decided to reappoint Dr Aboubakar Diaby-Outtara to the post of executive secretary of the ECOWAS and to keep the firm RA Dellsworth et Cie as the community's commissioner of accounts.

Finally, the conference approved the suggestion of its outgoing chairman to convene a meeting of agriculture ministers at the earliest date and decided to meet in Cotonou on 28 and 29 May 1982.

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FRENCH SOCIALIST PARTY POSITION ON SUBSAHARAN AFRICA

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 pp 1395-1396

[Article: "The Socialist Party and Africa"]

[Text] Between the two rounds of the presidential election, the Socialist Party published a document specifying its positions on Subsaharan Africa, which may well be taken as inspiring policy for a government resulting from a majority such as the one that elected the new president of the republic.

Why this special interest in Africa? Because "of the three great Third World divisions, Africa is the one in which, for historical and geographical reasons, France is most influential; this influence is essential to the international prestige of our country today; it is significant for its economy, too. To a great extent our country will be judged on its African position by the Third World." Thus recognizing the preeminence of Africa in French policy toward the Third World, the Socialist Party "intends both to assume and transcend the heritage of French history and to translate into actions its political will."

The new policy will have to be a realistic one: "Proposals which we do not have the means to realize should not be formulated" -- and will be meaningful only if "it is in harmony with the policies of African states which have similar goals."

It will be constructed around three principal considerations: "peace and security -- economic development -- the growth of more righteous societies, faithful to their heritage while at the same time open to the world."

Peace and Security, Development Conditions

Peace and security have always been considered the necessary condition for development. That is an axiom often repeated by the former president of the republic. Unlike some great powers that stir up the conflicts in Africa in hopes that an unsettled situation will give them more influence and the chance to show off their strength to the opposing bloc, France must work to defuse present conflicts and help Africans to assure the security of their

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continent themselves. That security must continue to rest on respect for the principles asserted by the OAU, in particular the inviolability of national boundaries, the right of peoples to self-determination, and respect for human rights.

It is the flagrant injustice of the apartheid system which to the Socialist Party appears to constitute the most serious threat to the African continent as a whole. It is useless, according to the party, to hope that economic development will bring about its gradual breakdown. So the Socialist Party will take immediate steps to cease aiding the Pretoria regime through financial and technical efforts, by taking the decision to stop all public or semi-public investments in South Africa and Namibia, and by withdrawing all aid to private investments. It will associate itself with the economic sanctions voted by the United Nations, and as soon as possible, considering the technical limitations, will reduce imports from South Africa, particularly uranium imports. Within the contact group, France will try to take back some of the initiative, instead of leaving it to the United States alone, and will firmly uphold the principle that the United Nations Organization must be the only legal authority in Namibia. At the same time, active support should be given to "front line" states.

In the "horn" of Africa, the Socialist Party which has come out in support of the Eritrean people's right to self-determination (as of that of the Saharans, incidentally), while recognizing Ethiopia's right of access to the sea, hopes for reactivation of the former president of the republic's proposal for an international conference aimed at involving Ethiopia, Somalia, Eritrea, and Djibouti in a settlement. It also hopes that France will take an active part in the necessarily distant achievement of demilitarization of the Indian Ocean. Before that, it will have to have solved the issue of Mayotte, which must again become an integral part of the Comores archipelago, and have negotiated the "little islands" problem with Madagascar and Mauritius.

More generally, the Socialist Party by no means condemns the principle of the defense agreements made between France and those African states who want it, provided that it is specified that these accords "should be aimed at the protection of the states against external threats, and not unconditional protection of regimes or rulers." In addition, "the presence of French military bases in certain African countries is not strictly linked to the conclusion of defense agreements, nor to the establishing of military facilities in certain countries....The question of military bases must therefore be handled separately, in a spirit of frankness and innovation, bearing in mind their geostrategic situations, with the countries involved. A socialist-led government, therefore, evidently considers itself obligated by the commitments undertaken by its predecessors, but deems it necessary to update most of the defense agreements, most of which are in any case old ones. It seems that it will particularly encourage inter-African defense accords, and make political and practical efforts to strengthen regional or continent-wide organizations such as the OAU. Thus it will support with all its might the Sahara seaboard states in their efforts to find a settlement to present conflicts in the Saharan and

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Sudanese-Sahelian regimes. In this respect, the Socialist Party document states that it appreciates with "very keen interest Algeria's important contribution" to this objective.

Cooperation Everyone's Business

In the area of development, the second policy direction, the Socialist Party sees cooperation as merely a "partial remedy, but not a definitive solution." The long-range goal is still "establishment of better relations on a world-wide scale, especially crucial for a continent comprising nearly all the poorest countries in the world." As the Socialist Party sees it, "cooperation practised by France (of which Africa will be one, though particularly favored, field of application only) must have two functions. On one hand, to have the whole of the country's human resources participate at the greatest variety of levels in the fight against poverty in a continent to which we are linked by many old ties. On the other, to initiate, within the most manageable short-term framework possible, bilateral relations, or insofar as possible, relations between the EEC and associate countries, new types of relationships as precursors of an international economic order."

Cooperation will be offered to as many African states as possible, without, of course, abandoning old ties, and "without denying France's special responsibilities toward countries which for three-quarters of a century were intimately associated with its history, and share with it not only a common conventional language, but also many aspects of life-style and opinion forming associated with it." First of all "because poverty, sickness, and malnutrition have no political color," and then because such cooperation would enable certain countries, should they so desire, to loosen the political and economic constraints that may have led them to adopt certain political stances. The only automatic exclusions from the field of French cooperation will be "racist regimes (such as that of South Africa) and those countries in which assaults on human rights somehow constitute a sort of governing principle."

Cooperation thus defined must become the business of all French people, and not remain "a matter for specialists, particularly in areas like research, in which continuity of action is required," or, centrally, a special state matter. In future, cooperation should involve all state bodies (to which present cooperants would be attached, thus availing themselves of employment guarantees), as well as regions, communes, municipalities, trades unions, and professional associations. In short, cooperation must "constitute an essential dimension of the thought and action of a very large mass of French people." A cooperation agency, whose administrative board would include representatives of the various above-mentioned groups, could be created to coordinate such a variety of actions properly, "to propose cooperation opportunities to the government, to make sure that the undertakings selected are implemented, to assign tasks, to help in training personnel."

To raise the means for this policy, France will reportedly increase its public aid, exclusive of DOM-TOM [Overseas Department-Overseas Territories]

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to 0.70 percent of its GNP, that is, the level specified by the United Nations Organization, which would amount to practically twice as much as the present aid earmarked for the Third World.

Two Directions for Development

Evolution of the world situation, oil price increases, dollar fluctuation, and the sometimes erratic variations in the market prices of staples and raw materials have had severe effects on African countries. The Lome conventions have opened up some interesting remedial prospects, but STABEX [expansion unknown] resources are inadequate for meeting a serious depression in market prices, and STABEX itself only intervenes in connection with the main products. Thus, at the same time, it is appropriate to assure producer states of import guarantees. So the Socialist Party suggests offering "a certain number of states co-development contracts, which, after a thorough discussion of both parties' goals and agreement upon them, would set, at least for the medium term, an ensemble of financing arrangements and exchange guarantees." In parallel, there should be encouragement of regional projects that extend beyond the borders of states that "have neither the demographic weight nor the economic weight to become credible entities on the world scale, particularly to be the cadre of balanced industrial development." The greater part of the population of Africa is still rural, and in the medium term it does not seem desirable for this situation to change. Any agricultural development policy must be directed toward correcting food supply shortages, which cause dependence on foreign countries and danger of famine. An effort to train African peasants "beyond mere techniques of farming, must make it possible, within medium time limits, to broaden prospects."

Industrial development will not be thought of as competing with rural activities, but as complementing them. It is, indeed, "one of the essential components of economic independence, so long as industrialization is not left up to the initiative of foreign operators."

The preferential goals should give priority to projects generating high added-value employment, leading to currency savings, involving induced investments, from which the repatriation of resources will be moderate, and to regional projects as well.

In terms of sectors, the favored ones will be "projects valorizing local raw materials, especially agricultural products," and "those processing industries most inclined to develop, having proven potential for diversification and innovation." Lastly, technology sharing should be encouraged "through technical aid contracts (supply, management, operation, marketing, training) guaranteeing rights and obligations among partners," as well as the creation of joint ventures permitting "growth of the foreign partner's responsibility in host countries with liberal economies." Financial arrangements will have to be consistent and satisfactory investment profitability assured.

In the opinion of the Socialist Party it is the PME (small and medium enterprises) that seem best qualified to run this program "because of their expanding and training effects from the human as well as the economic viewpoint."

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Among the few major areas of involvement referred to by the Socialist Party are again featured resumption of research "to preserve the historical, cultural, and technical heritage of Africa, blaze new paths to development" through basic research, and "help African states to acquire mastery of advanced technologies," special vigilance over the health and social aspects of any development project, since human welfare must "constitute an end in itself, not just a means to greater productivity, and finally, promotion of the role and status of African women.

Cultural Aspect of Cooperation

The cultural aspect that should characterize any cooperation between France and Africa is dictated by the importance of the French language, an international communication language and a common language over a wide area of Africa. "Language is not a neutral instrument," the Socialist Party notes; "With it and through it, ideas, techniques, and ways of life are transmitted throughout the world." The Socialist Party will therefore "fight the constant reduction in funds for cultural action." Needless to say, language, on the other hand, "cannot be an instrument of imperialism," and dissemination of French must not be a source of social rifts nor take place "to the detriment of African languages and cultures." It will be up to each of the governments in French-speaking Africa to take responsibility for choosing whether it will make French a widely taught foreign language or the official language of education, and the Socialist Party will scrupulously respect the choice. But "to the extent that it is requested to do so, it will assist in the training of African linguists, in the gathering and dissemination of Africa's linguistic, literary, and cultural heritage."

Thus, the Socialist Party believes, it will demonstrate faithfulness to its concept of cooperation; that is to say, "exchange among equals." "We refuse," the Socialist Party document concludes, "a chilly retreat into our own heritage: we intend to foster dialogue, the promise of mutual enrichment and brotherhood."

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SOUTHERN FRANCE-AFRICAN COOPERATION--On the one side were some 100 company managers from the Rhone-Alpes region which gathered in Lyons on 21 May last at the initiative of the Lyons Interprofessional Group, chaired by Michel Robatel; on the other side were about 50 African representatives, most of them from the private sector--and this was a first unusual feature--who came from many African countries: Tunisia, Morocco, Senegal, Central African Republic, Congo, Zaire, Ivory Coast, Togo, Benin, Mali, Upper Volta, Niger and Cameroon. The topic of discussion was industrial cooperation in both the spheres of health and food--and this was the second unusual feature of the meeting. In June 1979, the Club of Dakar had organized a similar but multisectoral meeting in Dakar for the purpose of making the small and medium-sized businesses of southeast France aware of African assets. On 21 May this year, the Club of Dakar started a new trend by coupling the regional approach, which is essential in the case of France, and the specialized approach, illustrated by the quest for cooperation agreements in the health and food spheres. Roundtables devoted to different types of production (meat, milk, other liquid and dry goods, soil management, refrigeration, pharmaceutical and medical industries) enabled both sides to take stock of and accurately identify the problems, projects and solutions which will have to be jointly implemented. Their action anticipated the sectorial dialogue between Africa and European countries which T. Diawara, chairman of the Club of Dakar, had hoped for as he opened the meeting. Finally, there was a noteworthy decision: to create a "cell" of local and African representatives who will act as a think-tank and moving force to continue and expand the initial trade exchanges and to give permanent character, on an informal but definite manner and by means of the least cumbersome organization, to the dialogue initiated in 1979 and resumed on 21 May 1981. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 12 May 81 p 1582] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

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CENTRAL AFRICAN REPUBLIC

STEPS TO REDUCE BURDEN OF FOREIGN DEBT PAYMENTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 1858 19 Jun 81 p 1659

[Article: "Toward Reorganization of the Foreign Debt"]

[Text] The representatives of the governments of the Federal Republic of Germany, Austria, the United States, France, Italy and Switzerland met in Paris on 11 and 12 June with the representatives of the government of the Central African Republic to examine the request for a reduction of this country's foreign debt.

Observers from the IMF, the World Bank, the UNCTAD [United Nations Conference on Trade and Development] secretariat, the OECD, as well as from Japan and Great Britain, also attended the meeting.

According to a communique from the French minister of economy, the representatives of the participating countries were responsive to the efforts at recovery undertaken by the government of the Central African Republic. They also noted with satisfaction the commitment by this government to an economic and financial program which benefited from the support of confirmation by the International Monetary Fund on 10 April 1981. They felt it necessary for the success of this program to refinance or to reschedule the debt service in order to improve this country's prospects for foreign payments in order to facilitate the recovery of its economy.

In this spirit the representatives of the participating countries agreed to recommend to their respective governments a major reorganization of the Central African Republic's foreign debt resulting from the guaranteed loans and credits granted by the creditor countries.

This reorganization applies to arrearages and to payments due as debt service from 1 January 1981 to 31 December 1981 on the basis of contracts signed before 1 January 1981. Their reimbursement will be made by the government of the Central African Republic over a 9-year period, including a 4-year grace period.

The Central Africa delegation insisted on expressing their gratitude to the creditor countries which met at the Club de Paris for the voluntary efforts to aid the Central African Republic put its economic and financial situation in order.

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CENTRAL AFRICAN REPUBLIC

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AUTHORIZATION OF IVORY TRADE--Central African president David Dacko is said to have quietly authorized resumption of ivory collecting. He is even reported to have given the monopoly on this very lucrative trade to an enterprise with which he is closely affiliated. On his return to power in 1979, he had dissolved the collection companies which had become rich under Bokassa from the cadavers of some 30,000 elephants. [Text] [Paris JEUNE AFRIQUE in French No 1068, 24 Jun 81 p 41] [COPYRIGHT. Jeune Afrique GRUPJIA 1981] 5157

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SOME ECONOMIC NORMALIZATION REPORTED

Paris JEUNE AFRIQUE in French No 1068, 24 Jun 81 p 37

[Article by Francois Soudan: "Chad-Qadhafi--How to Get Rid of Him?"]

[Text] It was in Freetown, a year ago, during the last OAU summit meeting. In the corridors behind the conference room, the delegations of the two main clans which had been at war for 90 days in Chad engaged in innumerable talks, rumors, whispered asides. There was talk of blocked opposition and a hundred years' war. There were few who could yet foresee what was to happen less than four months later: the mass arrival of Libyan troops, the triumph of Goukouni Weddeye and the long retreat of Hissein Habre's men toward their sanctuary on the Sudanese frontier.

Since then Qadhafi's soldiers have remained, holding sensitive points in the country, keeping Hissein Habre's Northern Armed Forces in the resistance in the East, and allowing the Goukouni government only a narrow margin for maneuvering.

The chiefs of state meeting in Nairobi, apart from their natural distaste for the leader in Tripoli, can hardly fail to note the stagnation of the situation in Chad. In fact, after eight months of summit meetings aborted in postponements, the lack of means and the consensus indispensable to the dispatch of a joint neutral force to Chad, the member nations of the OAU have resigned themselves to leaving the Chad issue in the hands of its two bothersome neighbors: Nigeria and Libya. It is significant that the last meeting of the ad hoc committee of the pan-African organization on Chad, which was to be held at the end of May in Freetown, was quite simply cancelled and postponed--until the Nairobi summit meeting. For no reason.

But what can the OAU do about the Libyan retreat once "urged" and "desired" by the participants in the congress? Organize a dispatch of a neutral African force? That is hardly likely, so forceful are the differences about its composition and financing. Thus it is between Lagos and Tripoli that the fate of Ndjamena will be settled. To judge from the altercations which characterized the last meeting between Shagari and Qadhafi in the capital of Chad on 21 and 22 May (JEUNE AFRIQUE, No 1066), it can be presumed that this will hardly be easy.

Unless, that is, the people of Chad themselves decide to facilitate the task of their protectors, by embarking upon the task of civil peace. A certain economic normalization (the reopening in May of the agencies in Chad of the Bank of Central African States and the International Bank for West Africa) as well as military normalization

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(29 May agreement on the establishment of an integrated national army) is seen as a positive indication in this connection.

There remains this last point which still must be clarified. An incongruous collection of the pro-Libyan groups of Ahmat Acyl, Goukouni's People's Armed Forces and the Chadian Armed Forces of Wadel Abdel Kader Kamougue, this national army remains in the planning stage for the moment. Who will staff it? Who will train it? Volunteers are not lacking: Libya, of course, but Nigeria as well, and the most recent entry, Algeria. If none of these countries has the unanimous endorsement of their partners in Chad, it will fall to the OAU to accomplish this task. This neutral force has indeed existed for 18 months. But on paper only.

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CHAD

BRIEFS

CENTRAL BANK'S REOPENING--The office of the Bank of Central African States (BEAC) in Ndjamena reopened its doors on 10 June, while a commercial airplane landed in the airport of the Chadian capital on a trial basis for the first time since the end of the battle of Ndjamena in December 1980. The reopening of the BEAC office marks an important first stage toward normalization of the financial and economic situation in Chad. This measure had been decided on several weeks ago by the Committee of Ministers of Finances of the five member states of the BEAC (Cameroon, Congo, Central Africa, Gabon and Chad) in Libreville. The Ndjamena office, closed since the beginning of the hostilities in March 1980, still has some CFA 14 billion which it kept in its coffers during the fighting. The landing in the Ndjamena airport, of an Air Afrique DC-8 cargo plane coming from Paris could, AFP indicates, ultimately result in the reopening of regular airlines between Ndjamena and several African and European capitals. During its landing the craft benefited from only "modest" technical assistance on the ground. The control tower, in fact, had sustained serious damage during last year's conflicts. It should be remembered that since the end of the fighting, the Chadian capital has remained cut off from the rest of the world in terms of air connections as well as telecommunications. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1659] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

BIAT'S REOPENING--By decree No 28 of 3 June 1981, the GUNT [Transitional National Union Government] authorized the opening of the BIAT (International Bank for Africa in Chad), SA with capital of CFA 450 million. Duly organized since 28 February 1980, BIAT has taken over the offices operated in Chad by BIAO [International Bank for West Africa]. At this writing it is open to customers. Moreover, the GUNT instituted a general moratorium on debts by a decree of 3 June. The clientele of the banking establishments may avail themselves of this moratorium with respect to the latter. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1659] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

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CONGO

ECONOMIC IMPROVEMENT IN 1980

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1661

[Article: "Development of the Trade Situation"]

[Text] During 1980 the trade situation in Congo clearly improved.

Nonetheless, as far as general merchandise is concerned, the extension of monopolies entrusted to the National Marketing Office (OFNACOM) to all forms of packaging and display of the articles thus reserved has resulted in the disappearance of the latter in the free trade stores.

What is more, private commerce is running up against the rigidity of price control regulation: this regulation needs to be revised, brought up to date and reduced. An easing of the methods of granting and renewing the foreign merchants' licenses is also necessary.

The retail trade is particularly complaining of unfair competition from illegal street vendors, who sell off at liquidation prices articles coming from thefts or smuggling; these vendors do not pay either taxes, licenses or duties.

In 1980 sales of vehicles rose to 2,869 units, an increase of 44 percent over 1971.

The building-public works sector benefited from a certain revival, a revival which started during the last quarter of 1979. This activity was supported by the resumption of public investments in road and civil engineering construction and by the development of private projects for the construction of buildings. The revival efforts were thwarted, however, by supply shortages, especially of cement. While the construction materials are benefiting from active demand, the extent of the requirements is causing certain bottlenecks at the level of the flow of orders between Pointe-Noire and Brazzaville. These delays aggravate the financial charges in a manner that is not negligible.

Up to now, the serious disadvantages which have existed for years have not been remedied: cutoffs of electricity and water, particularly in Pointe-Noire and deficiencies in the telephone network, the telex network and internal communications.

In social terms, 1980 was relatively calm. Negotiations from March to June in which both sides were equally represented resulted in raising most pay scales, the increases amounting to between 7 and 25 percent depending on the categories and the agreements.

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NIGER

BRIEFS

PRESIDENT'S VISIT TO SONICERAM--On 5 June the Nigerian head of state, Col Seyni Kountche, visited the Nigerian Ceramics Company (SONICERAM) where he announced that a second plant will be put into operation as early as 1982 with a view to increasing the capacity of the first production plant, estimated at some 15,000 tons per year. The second plant will require an investment of CFA 1.8 billion (including CFA 600 million furnished by the FRG and the rest by Niger) for production of 37,000 tons of bricks per year. The head of state also visited the Center for Research on Meningitis and Bilharziosis. During this second visit he indicated that the research laboratory will be expanded with the construction of two buildings, among other things. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1653] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

NIAMEY AIRPORT EXPANSION--The Nigerian head of state, Col Seyni Kountche, recently visited the Niamey Airport construction site, in the process of expansion because of the increase in passenger traffic and freight. These expansion works are estimated at CFA 1.2 billion, while the enlargement of the freight buildings will amount to CFA 700 million. Colonel Kountche gave instructions for the airport authorities to penalize transport agents who do not remove their merchandise in time. Thus, according to the Nigerian press, merchandise had even been stored on the parking area for the airplanes. This posed a security problem and a delay in deliveries, which resulted in stock shortages and price increases. Finally, the Nigerian head of state managed to determine what had been the status of the progress of the road under construction which is to connect the city to the airport. This road will consist of two lanes coming and going with a total length of 14 meters, a rotary and a central 4-meter median strip for lighting. According to information the construction will come to an end in January 1982 at the same time as that of the airport. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1653] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

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NIGERIA

SHAGARI PRAISED FOR STAND ON APARTHEID

London AFRICA in English No 116, Apr 81 pp 14-15

[Editorial by Raph Uwechue: "Nigeria and Apartheid"]

[Text]

IN THEORY the primary responsibility for the overthrow of South Africa's apartheid system rests with the oppressed citizens of that country. This they are determined to do and are indeed doing with every conceivable handicap within the tight limits of their current political and material resources. But in practice the fact remains that without adequate support — moral as well as material — from the rest of Africa, the price of the struggle could prove too high for them in view of the comparative strength and sophistication of South Africa's oppressive machine, backed by the economic and military might of western powers. Thus, in the final analysis, the survival of the apartheid policy within South Africa, and extraterritorially in Namibia still rests on the fact that so far no African country or group of countries, potentially capable of coping with Pretoria's long-standing and humiliating challenge, has stepped sufficiently forward to do so.

Successive OAU resolutions and ritualistic condemnations of apartheid have worn so thin over the past eighteen years of the organisation's existence that they have ceased to be of any serious relevance in the search for an effective solution. The Lusaka Manifesto, adopted by the OAU in 1969 and designed to appeal to the conscience of the world, made it clear that Africans prefer the desired change in South Africa to

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occur peacefully rather than violently, provided the White usurpers could be persuaded by their western backers to work for a quick transition to democratic institutions guaranteeing equal rights and protection to all citizens Black or White. Subsequent OAU declarations have confirmed this commitment by the African side. Yet, over a decade later, there is still no evidence of any real movement towards a peaceful dismantling of the apartheid system.

In spite of their undoubted moral commitment, and in the case of the Frontline states, their considerable material sacrifices in relation to their meagre resources, few Black African countries are today in any position to provide the liberation struggle in South Africa with sufficient political and material backing to fight the apartheid institution effectively. Because of its resources Nigeria's case is substantially different. After the active and probably decisive roles played successively by the regimes of Gen. Murtala Muhammed and Gen. Obasanjo in the liberation of Angola and Zimbabwe, the new logical target demanding Nigeria's attention is the odious system of apartheid in South Africa.

It is to the credit of the Shagari administration that it has fully grasped this fact. President Shagari's official pronouncements since taking office eighteen months ago and, in particular, the very strong concern which he has voiced during his visits to the western capitals of Washington recently and London last month, indicate clearly enough that Nigeria is set to step into the arena and take its rightful place in the struggle against apartheid. He has served clear notice to the western powers that Nigeria 'shall use every means at its disposal to fight apartheid and those who, by various trading practices, keep it alive.' Because the apartheid regime is nourished and sustained through an umbilical cord connecting South Africa with western military and economic power, Nigeria is now asking the backers of apartheid to take the necessary steps to sever that link by supporting UN economic sanctions against the apartheid regime, or to choose between friendship and trade with South Africa on the one hand and the rest of Black Africa on the other.

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With its very considerable human and material resources, Nigeria is potentially well placed to help Black Africa tackle its most pernicious and most humiliating challenge. It is in this context, with the prospects of redeeming not only the civil rights of the oppressed citizens of South Africa, but in a broader global sense the honour of the Black African everywhere, that the increasingly active concern being shown by Nigeria vis-a-vis apartheid becomes as necessary as it is commendable. In this task she needs the support of all Africa.

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NIGERIA

ECONOMIC RELATIONS WITH WESTERN NATIONS SOUGHT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858, 19 Jun 81 p 1657

[Text] Nigeria participated in an international trade conference held at the end of May in San Diego, California, on the theme "A World Econoculture Project." It was sponsored by the Educational Culture Complex (ECC), a college offering two year study programs, which is a part of the college network of the municipality of San Diego, which entirely finances the project. The organizations which collaborated in preparations for the conference were, along with the ECC, the United Nations (UN), the Association of International Business Centers and the U. S. Department of Commerce. Participants included a number of African diplomats and American businessmen, including, among others, representatives of the Bank of America, Chevron Overseas Petroleum, and the Bechtel Power Corporation. The representatives of Nigeria were Simon Yough, first advisor to the permanent mission at the United Nations, and A. A. Ajakaiye, Nigerian consul general in the United States.

Both gentlemen spoke, and Mr Yough in particular recommended the expansion of economic cooperation between African and western countries. On behalf of Nigeria, he appealed to American investors, recalling that the country undertook a five-year development plan this year calling for expenditures totaling more than 150 billion dollars.

The president of the ECC, a black American colleague, Mrs Lillian Beam, explained what is meant by an "econoculture project." It is a program to allow Americans to participate in the economic development of Africa on the basis of a prior understanding of the cultures of the black continent. The current program is planned for five years, with agreements expected this year concerning North Africa and West Africa.

The considerations set forth at the San Diego conference by the California secretary for public health and social affairs, Mario Obledo, should also be stressed. He believes that greater cooperation is necessary in the West with regard to the third world.

In the United States, he said, "we should undertake a reassessment of our foreign policy, for I have the feeling that the developing countries, as their economic power increases," he said, "will perhaps be less ready than in the past to tolerate a certain negligence. The third world must see priority granted to it. The United States must treat the countries in the third world with respect and equality. We must understand the cultural and social factors specific to the African countries, and we must recognize the diversity which is found in these countries."

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NIGERIA

OTHER NATIONS EXPRESS CONCERN ABOUT LACK OF SECURITY

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858, 19 Jun 81 p 1656

[Text] Security has not ceased to deteriorate in Nigeria for several months, and has reached worrisome proportions, to the point of arousing serious concern both abroad and domestically. This concern, moreover, was publicly expressed in Paris on 5 May to Minister of Industries Alhaji Adamu Ciroma, during his meeting with the CNPS [National Council of French Employers] issuing an invitation to French industrialists and businessmen to invest in his country.

Now, an AFP [French News Agency] dispatch reports that three members of the EEC [European Economic Community]--the Netherlands, Italy and France--have sent letters of protest to the federal authorities in Nigeria demanding, in particular, the implementation of security measures for their nationals.

The Italian embassy in Lagos, in fact, sent the ministry of external affairs a written communication on 22 May demanding that "the necessary steps be taken by the authorities in Nigeria to protect the lives and property of Italian nationals." This note from the Italian diplomatic mission was pursuant, it was explained, to the attack made on three Italians en route to the international airport in Lagos where they were to take a flight for Europe on 20 May. Two of the three individuals were seriously injured by a dozen armed thieves who stripped them of their personal effects.

The protest registered by the French embassy in Lagos on 23 May was the result of a similar incident which occurred the same evening. Four French citizens, also en route to the international airport, were in this case stopped and then injured by six men armed with revolvers and machetes. In its protest, the French embassy also complained of the fact that the police station to which the victims went to file complaints demanded the equivalent of 400 dollars to take the statements of the victims. Recalling the incidents which have occurred in recent months in Lagos, Ibadan and Port harcourt, where French women have been raped, French citizens injured or simply robbed, the French embassy stated in its communication that it is "profoundly concerned about the constant and almost daily attacks as well as the atmosphere of insecurity which weighs over our nationals."

The Dutch embassy, for its part, had sent a letter to the authorities in Nigeria on behalf of all of the CEE countries some weeks earlier. It stated therein that "if the atmosphere of insecurity is to continue, foreign countries will have a difficult time retaining their technicians, not to mention recruiting new ones in the regions affected by this problem."

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NIGERIA

SURVEYS SHOW UNEMPLOYMENT AT 4.2 PERCENT OF THE ACTIVE POPULATION

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858, 19 Jun 81 p 1656

[Text] According to recent surveys made by the National Manpower Board in Nigeria, 1,340,000 persons are currently unemployed in the country, representing 4.2 percent of the active population. Out of the total of 32,240,000 persons of working age, only 30,900,000 are currently employed.

The number and percentage of unemployed persons in relation to the active population does not take into account the persons entirely without work, rather than merely underemployed, a situation affecting practically the majority of the labor force.

According to the statements of the federal government itself, the 4.2 percent figure is an underestimate of the real scope of the problem, since the rate varies from 8 to 13 percent in the urban centers.

The number of wage earners, estimated at 3 million, or 9 percent of the active population, is believed by the government authorities to be too low, above all if the entry of young people into the job market and the rural exodus are taken into account.

Estimates indicate that between now and the end of the fourth development plan, there will be an active population of 24,820,000 persons, with 1,260,000 unemployed. Thus 3,950,000 jobs will have to be created, demanding an increase in job offers of 5 percent per year.

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NIGERIA

TEXTILE INDUSTRY CRISIS RESULTS IN PRODUCTION DROP

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858, 19 Jun 81 p 1657

[Text] In our 3 April issue, we reported on p 948 that, as had the plans belonging to Nortex (Nigeria) Ltd. and Norspin, Ltd., in Kaduna, the Nigeria Teijin Textiles, Ltd. plant located in Ikeja had just, in its turn, been forced to shut down because of serious financial difficulties caused by foreign competition and fraud and the resultant gradual dwindling of its market outlet.

These shutdowns have already caused a serious drop in domestic textile production and it is estimated that in 1981 this production will be 30 percent below that of 1980, which itself was lower than the 1979 figure. The first 1980 production estimates point to about a billion square meters of cloth, with demand assessed at about 1.3 billion. With a 30 percent decline in production, the figure for 1981 would thus come to only some 700 million square meters.

According to the Textile Manufacturers' Association, the cost price for textile plants has increased by 34 percent in the course of the last two years, while sale prices have not increased commensurately. The cost of raw material alone has gone up 18 percent. It is this catastrophic situation which has contributed to an advantage for foreign competition and fraud, which has become widespread.

The remedy would involve the elimination of its imports by the federal government and the taking of steps to make the plants more competitive and better able to function. Some may require bank credit at low interest rates in order to modernize, while others may require water and electricity supply at advantageous rates.

Finally, a decrease in customs and excise duties on raw materials and imported materials would be needed.

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NIGERIA

BRIEFS

NO OIL PRICE DECREASE--The director of the Nigerian National Petroleum Corporation (NNPC), in a statement made on 12 June, categorically denied reports to the effect that Nigeria had already effected a 4 dollar reduction on the price of its oil, thus it remains officially on sale at between 40 and 41 dollars per barrel for the best quality. However, pressure is still being exerted on the country to effect a reduction in its prices. We might recall that the production level, for its part, has already reached a dangerously low level, threatening to compromise the implementation of the plan (MARCHES TROPICAUX ET MEDITERRANEENS, 12 Jun 81 p 1597). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS No 1858, 19 Jun 81 p 1657] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 5157

AUSTRIAN AUTO-ASSEMBLY PLANT--The Austrian Steyr-Daimler-Puch AG firm believes that its utility vehicle assembly plant in Bauchi, which began operation in July 1979 (MARCHES TROPICAUX ET MEDITERRANEENS, 27 Jul 79, p 2109) constitutes a model for other plants of the same type planned for Mexico, Brazil, the Philippines and Indonesia. The mother company also believes that when the plant in Nigeria has reached its full capacity in 1982, its production will meet 25 percent of the domestic demand for heavy duty vehicles. We might recall that initially it had an annual production of 8,000 trucks and 2,000 tractors, which immediately placed it in a good position in relation to its competitors (MARCHES TROPICAUX ET MEDITERRANEENS, 25 Jul 80 p 1861). The mother company also reports that the plant is already bringing in 1.5 billion shillings per year in foreign exchange from its turnover total, and 20 percent of its employees are Austrian. [Text] [MARCHES TROPICAUX ET MEDITERRANEENS No 1858, 19 Jun 81 p 1657] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 5157

NEW FLIGHTS ANNOUNCED--The Air Afrique airline has announced that a new Paris-Brazzaville flight, with a stop in Kano, was initiated on 5 June. This stop brings the number of weekly flights provided to Nigeria to two. The stopover occurs on Friday afternoon (between 1605 and 1705 hours) on the Paris-Brazzaville flight (departing Charles deGaulle Airport at 1130 hours), and Friday night (between 2355 and 0055 hours) in the opposite direction (departing Brazzaville at 2115 hours). We might recall that the UTA (Air Transportation Union), for its part, initiated a fifth weekly flight to Nigeria on 4 June, with a fourth direct flight from Paris to Lagos (MARCHES TROPICAUX ET MEDITERRANEENS, 22 May 81 p 1240). Thus the two companies are each servicing the large airport in the northern part of the federation once a week. The UTA flies DC-10 aircraft and Air Afrique DC-8's. [Text] [MARCHES TROPICAUX ET MEDITERRANEENS No 1858, 19 Jun 81 p 1657] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 5157

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SENEGAL

PRIME MINISTER VISITS MITTERRAND, REAFFIRMS COOPERATION

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1649

[Article: "From 14 to 19 June: Habib Thiam's Visit to France"]

[Text] Senegalese Prime Minister Habib Thiam, who made a 4-day official visit to France on 14 to 19 June, was received on 15 June by the head of state, Francois Mitterrand, to whom he delivered a message from the Senegalese president, Abdou Diouf.

Thiam, who was the first high ranking official from Black Africa to be received by the French president, expressed the wish that cooperation between Paris and Dakar take on an "exemplary" character. He emphasized that as far as Senegal's difficulties in confronting the problems of drought are concerned, he wished to see "very close" cooperation established between France and Senegal.

In another connection Thiam called "very fruitful" the survey of current major international issues which he instituted with Francois Mitterrand. He indicated that he had not especially mentioned the Free Zone problems with the President of the Republic. This question, as well as all the problems dealing with cooperation between Paris and Dakar were brought up during talks which he had on 17 June with Claude Cheysson, the minister of foreign affairs, and Jean-Pierre Cot, the minister of cooperation, and on 16 June with Jacques Delors, the minister of economy and finance.

It should be noted in another connection that Thiam was received on 16 June by Pierre Mauroy, the French prime minister, and on 18 June by Jean Laurain, the secretary of state for war veterans, with whom he talked about the problems associated with the Senegalese war veterans statute.

After having indicated that the problem of the forthcoming French-African summit, which will meet once a year--once in France, once in Africa, had not been dealt with, Thiam concluded by emphasizing the affinities of the French Socialist Party and the Senegalese Socialist Party which, he indicated, "have always worked hand in hand."

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SENEGAL

MITTERRAND EXPRESSES CONCERN FOR NATION'S PROBLEMS

Paris JEUNE AFRIQUE in French No 1068, 24 Jun 81 p 41

[Text] Habib Thiam, the prime minister of Senegal, former French 100 and 200 meter champion, was the first of the African leaders to meet Francois Mitterrand. He met with the new French president on 15 June, after having had a lengthy talk that same day with Prime Minister Pierre Mauroy. There then followed a succession of ministerial meetings with, among other officials, Minister of Economy Jacques Delors, Minister of Cooperation Jean-Pierre Cot, and the first secretary of the French Socialist Party, Lionel Jospin.

It was this group, moreover, which sponsored the acceptance of the Senegalese Socialist Party (of which Habib Thiam was at that time the foreign relations official) into the Socialist International in 1977.

"We will do all we can," President Mitterrand promised the Senegalese minister. "We are aware of the serious problems which concern Senegal," Pierre Mauroy assured him. But will the new French leaders offer more than the truly exceptional aid of six billion French francs provided by the former government in 1980? For the time being, it is simply accepted that the military cooperation between the two countries will not be altered, and that it will remain governed by the 1974 agreement. According to Mr Habib Thiam, these agreements remain imperative because of the "demands of the moment."

The trip made by Habib Thiam to Paris is a part of the network of more general relations between France and a good number of African countries. Senegal, which has the multiparty system, may even play a dynamic role in the rapprochement between Paris and certain African capitals where the leaders are regarded in France as less "respectful" of the rights of their citizens.

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SENEGAL

REVIEW OF MILITARY, ECONOMIC, POLITICAL TIES WITH FRANCE

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1649

[Article: "Relations With France"]

[Text] Since its independence on 4 April 1960, Senegal has had good relations with the successive French Governments, but the Socialist party in power in Dakar has special ties with the French Socialist Party, since these two groups are members of the Socialist International.

Senegal and France are bound by cooperation agreements renewed on 29 March 1974, which include different economic, technical, diplomatic, consular and military fields. The military agreements limited the French military presence to 1,300 men but gave France facilities, notably for stationing military planes in Dakar.

In 1980 French aid to Senegal was CFA 62 billion (versus 27.5 billion in 1979), including 21.5 billion in special aid. This special aid had the objective of combatting the effects of the world crisis, which particularly affects Senegal, a non-oil producing country (petroleum production was CFA 50.6 billion in 1980) and a drought victim, and to launch a recovery program (1980-1984).

In 1981 Senegal will need new special aid, more especially as its last peanut harvest was only 200,000 tons versus one million in a normal year. The economists estimate that the GNP will drop by 5 percent in real terms in 1981.

Senegal, which called on the IMF to help it carry out its program and which put into practice certain of this fund's suggestions, such as the closing of 23 embassies, was for socio-political reasons not in a position to follow the IMF's other advice, such as the complete return to real prices.

While Senegal has especially attracted attention during the last half year by its political reforms (total multiparty system, amnesty, national planning on education, etc.) those close to Abdou Diouf claim that these measures are only "the unfreezing" of situations intended to leave the new president's hands free to devote himself to straightening out the economy.

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SENEGAL

GOVERNMENT'S ATTEMPTS TO OBTAIN IMF AID NOTED

Paris JEUNE AFRIQUE in French No 1067, 17 Jun 81 p 22

[Text] The International Monetary Fund (IMF) has asked Senegal to increase the prices on certain goods of first necessity (rice, gasoline) by 25 percent as a condition of the financial aid requested by that country, and has been given a flat refusal.

President Abdou Diouf, Prime Minister Habib Thiam and Minister of Finance Ousmane Seck were unanimous in their response to the IMF. "We urgently need your aid. But in no case will we ask our people, sorely tried by the drought, to make new sacrifices. Not before a normal farm year."

The IMF, whose requirements, always the same, have led other regimes to commit political suicide (rebellion following an increase in prices), bowed to this decision. "At least, it is clear," the head of the delegation is said to have commented.

Another mission headed by a Frenchman, V. Goreux, visited Dakar on 9 June, bringing different proposals: interim (standby) aid pending the rain.

The aid needed by Senegal to "hold out" was estimated at that time as 40 billion CFA francs per year (800 million French francs, or nearly 200 million dollars).

This structural deficit will exist so long as the country has not yet diversified its agriculture in order no longer to depend on peanuts and...rainfall.

For the present year, the government has already obtained 15 billion CFA francs. Thus it still must find 25. As well as 40 billion for the following (budget) year.

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SENEGAL

BRIEFS

FRENCH TROOPS' PRESENCE--The presence of French troops in Senegal has become a positive force since Francois Mitterrand took power. A visitor was so informed by Mahjmout Diop, leader of the PAI [African Independence Party], who then explained that "this is a guarantee against American imperialism." [Text] [Paris JEUNE AFRIQUE in French No 1068, 24 Jun 81 p 48] [COPYRIGHT: Jeune Afrique GRUPJIA 1981] 5157

MDP'S REQUESTED RECOGNITION--A political group named the People's Democratic Movement (MDP), has just asked to be recognized in Senegal. The statutes of this party, which claims kinship with self-governing socialism, were filed on 10 June with the governorship of Cape Verde Region. The founders, in whose name Mamadou Dia distributed the communique announcing the filing of the party's statutes, have already met twice in a constituent general assembly. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1649] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

PEANUT SEED LOAN--On 12 June in Dakar Ousmane Seck, the Senegalese minister for finance and economy, and Charpentier, the director of the French Central Fund for Economic Cooperation, signed an agreement opening up credits of CFA 6 billion. The agreement signed was intended for partial financing of the sectorial "peanut seed" program that the Senegalese Government has undertaken for in-depth reform of the production and management of seed. This reform should help to increase security of supply, guarantee seed quality, confer on the peasants an increasing share in the responsibilities of managing the seed stock and reduce their indebtedness at the same time. The Central Fund financing will be completed by a Senegalese counterpart as well as by a subsidy from the Aid and Cooperation Fund (FAC). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1650] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

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ZAMBIA

FINANCIAL SITUATION SAID TO REMAIN CRITICAL

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1664

[Article: "Economic Situation Remains Delicate"]

[Text] The International Monetary Fund (IMF) is known to have granted a credit of 800 million in SOR (special drawing rights) to Zambia (MTM of 22 May 1981, p 1432). The Fund indicates that Zambia's purchases on the basis of this expanded agreement, which is equivalent to 378 percent of the portion on this country's fund (211.5 million in SOR), will be financed in part from the Fund's ordinary resources (125.8 million in SOR) and in part from the resources which the Fund will borrow within the framework of its policy of expanding access to its resources (674.2 million in SOR). Zambia's total outstanding financial obligations toward the Fund by virtue of prior operations and transactions is presently equivalent to 305.2 million in SOR.

An IMF communique emphasizes the situation which the new loan will attempt to remedy. "Zambia has experienced economic problems for several years. The price of copper, the principal source of currency, has dropped, while import prices have increased. These factors were in large part responsible for aggravation of the position of the balance of payments. In 1978 the public authorities adopted a stabilization program supported by use of the Funds' resources. Several factors, including deterioration of the exchange terms to an unforeseen extent, unfavorable market conditions and incomplete reorganization of the economic policy limited the progress obtained within the framework of this program. After a brief recovery in 1978, economic activity fell off abruptly in 1979-1980, when copper production dropped sharply and agricultural production was affected by the insufficient rain-falls and by the relatively poor level of production prices.

"The Zambian authorities undertook to apply a 3-year economic and financial program with the assistance of the current expanded agreement. The prime objectives of this program are to increase domestic production and to diversify its structure, while preparing for the reestablishment of the domestic financial equilibrium and a supportable foreign position. In order to succeed in these objectives, they adopted a 3-year investment program designed to modernize the existing facilities and promote projects capable of being rapidly profitable. Priority will be given to imports which must be used by the transport, mining and construction industries in order to make further use of existing capabilities. The prices of the products of the semipublic enterprises will have to be determined in an adequate manner;

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the efficiency of the support services for agriculture improved, and the prices for agricultural production were gradually brought into line with their equivalents on the world market.

"The budgetary policy will limit the growth of government spending thanks to better control of expenditures and a reduction of subsidies to consumers, the level of which is high. The public authorities anticipate that the changes thus brought about in the structure of expenditures will make it possible to increase the resources intended to improve the execution of the current equipment projects and to increase investment expenditures. In terms of money and credit, the measures aim at furnishing sufficient credits to the productive sectors of the economy while contributing to the limitation of domestic demand pressures and the reduction of the aggregate deficit in the balance of payments. The authorities are practicing a flexible interest rate policy. Discount rates and Treasury bond rates were raised at the beginning of 1981 within the framework of this policy, as were the ceilings for the loan rates which the commercial banks grant to the processing industry and to agriculture."

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ZAMBIA

BRIEFS

CDC FINANCED PROJECT--An important sugar production project will be launched next August in Mazabuka. According to the person responsible for it, Mike Teller, it will require an investment of 17 million Zambian kwachas. This project should have been launched 3 years ago but it had been postponed because of the lack of available land. Very recently, the Zambian minister of Lands and Natural Resources made it known that 1,000 hectares could be allocated to this project and thus that the latter, which will require a total of 3,000 hectares--could be launched in August. The project in question, which is located in the south of the Nakambala sugar complex, will be carried out by the Commonwealth Development Corporation (CDC) in cooperation with the Zambian Government and Zambia Sugar Company. Financing will be provided by the CDC, the African Development Bank (ADB), the Development Bank of Zambia and Barclays Bank. The works launched in August will essentially involve ground clearing and construction of housing for the managerial staff. Finally, next year, some 300 small farmers will be recruited and specially trained. This is the first CDC sugar project in Zambia. But this organization has acquired solid experience in this matter with the sugar complexes built in Malawi, Swaziland and Nigeria, among others. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1664] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

FRG AGREEMENT--A framework agreement dealing with economic cooperation between the FRG and Zambia was signed on 11 June in Bonn by the Zambian secretary of state for finance, Fred S. Kazunga and his West German counterpart, Bernd Von Staden. This agreement replaces and improves the document signed in 1966 between Bonn and Lusaka. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1858 19 Jun 81 p 1664] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9380

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